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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/049,297 03/27/98 WALKER

J WD2-98-007

022927
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WM02/0321

EXAMINER

HAYES, J

ART UNIT

PAPER NUMBER

2161
DATE MAILED:

03/21/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.

09/049,297

Applicant(s)

WALKER ET AL.

Examiner

John W Hayes

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 January 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 90-108 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 90-108 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) ☒ Notice of References Cited (PTO-892)
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 18) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other: _____

DETAILED ACTION

Status of Claims

1. Claims 13-14, 33-34, 56-57 and 80-81 have been canceled and claims 90-108 have been newly added in the amendment filed 08 January 2001. Claims 1-12, 15-32, 35-55, 58-79 and 82-89 were previously canceled. Thus, claims 90-108 are the only claims that remain pending

Response to Arguments

2. Applicant's arguments with respect to claims 1-58 have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 106 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As per claim 106, the recitation of "determining a second discount further comprises decreasing the second discount by a predefined value" is unclear to the Examiner. Since the claim recites "determining a second discount", it appears that the second discount has not yet been established and, therefore, one cannot decrease the second discount value if the value is not known.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 90-91, 94-99, 102-108 are rejected under 35 U.S.C. 101 The claims, as presently claimed and best understood were considered in light of the new "Examination Guidelines for Computer-Related

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Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

With regard to claims 90, 97-98 and 108, the specification has been reviewed to see if the disclosed invention is in the technological arts and that it has a practical use in the art. The review shows that the invention appears to be a series of steps performed on a computer or point of sale device, however, claims 90, 97-98 and 108 fail to recite/define a series of steps performed on a computer or point of sale device. Thus, the claims are not directed to an invention within the technological arts and are deemed to be non-statutory.

With respect to claims 90-91, 94-96, 98-99, 102-107 the invention, as defined by the claims and as best understood merely manipulate an abstract idea or perform a purely mathematical algorithm without any limitation to a practical application. The claimed invention manipulates data representing discounts. The invention does not require physical acts to be performed outside the computer independent of and following the steps to be performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure. See *Diamond v. Diehr*, 450 US at 187, 209 USPQ at 8. The steps of determining discount values do not impose independent limitations on the scope of the claim beyond those required by the mathematical operation and abstract limitations because the discount values are not actual measured values of physical phenomena. *In re Galnovatch*, 595 F.2d at 41 n.7, 201 USPQ at 145 n.7; *In re Sarker*, 588 F.2d at 1331, 200 USPQ at 135. The steps of "determining" have no direct effect on the physical world outside the computer. Thus, the claimed invention merely inputs data into the system and performs a mathematical algorithm without any limitation to a practical application, such as offering the discount to a consumer, as a result of the algorithm or outcome and is therefore deemed to be non-statutory.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 90-105 and 107-108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al, U.S. Patent No. 5,687,322 in view of Valencia et al, U.S. Patent No. 5,380,991.

As per claims 90-92, 94-95 and 97, Deaton et al disclose:

-receiving a customer identifier that identifies a customer participating in the first transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

-determining a previous purchase associated with the customer and a time of the previous purchase, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-determining a first discount associated with the customer and a time of the first discount, as stated in column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions...";

-determining a current time and determining a second discount based on the customer identifier, the first discount and the time of the previous purchase, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop

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within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-exchanging at least one item for a payment amount that is based on the second discount (as stated in column 73 lines 9-12).

Deaton et al, however, fail to specifically disclose that the second discount is based upon the time of the first discount. Valencia et al disclose a paperless coupon redemption method wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). Thus, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and include the ability to monitor the time of discounts awarded to consumers for the purpose of awarding additional coupons of increasing value to entice the consumer to make repurchases at a subsequent time as taught by Valencia et al.

As per claim 93, Deaton et al further disclose applying the second discount to future transaction, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times." and in column 102 lines 66-67 and column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions.

As per claim 96, Deaton et al disclose determining a first difference between the current time and the time of the previous purchase and determining a second discount based on whether the first difference is less than a predetermined minimum transaction period, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars

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...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25. Deaton et al, however, fail to specifically disclose determining a second difference between the current time and the time of the first discount and determining a second discount is based upon whether the second difference is greater than a predetermined discount adjustment period. Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). Thus, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and include the ability to monitor the time of discounts awarded to consumers for the purpose of awarding additional coupons of increasing value to entice the consumer to make repurchases within a predetermined timeframe as taught by Valencia et al.

As per **claims 98-100, 102-105, and 107-108** Deaton et al discloses:

-receiving a customer identifier that identifies a customer participating in the first transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

-determining a previous purchase associated with the customer and a time of the previous purchase, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-determining a first discount associated with the customer and a time of the first discount, as stated in column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day

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period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions...";

-determining a current transaction associated with the customer, a time of the current transaction, determining a first difference between the time of the current transaction and the time of the previous purchase, and determining a second discount based on the customer identifier, and whether the first difference is less than a predetermined minimum transaction period, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-exchanging at least one item for a payment amount that is based on the second discount (as stated in column 73 lines 9-12).

Deaton et al, however, fail to specifically disclose determining a second difference between the current time and the time of the first discount and determining a second discount is based upon whether the second difference is greater than a predetermined discount adjustment period. Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe (Col. 3, lines 1-8 and 24-41; Col. 5, lines 37-61; Col. 6, lines 6-21). Thus, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Deaton et al and include the ability to monitor the time of discounts awarded to consumers for the purpose of awarding additional coupons of increasing value to entice the consumer to make repurchases within a predetermined timeframe as taught by Valencia et al.

As per claim 101, Deaton et al further disclose applying the second discount to future transaction, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the

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processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times." and in column 102 lines 66-67 and column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions.

Double Patenting

9. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

10. Claims 90-108 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 36-42, 45-55 and 58, respectively, of copending Application No. 09/166,267. Although the conflicting claims are not identical, they are not patentably distinct from each other because of the reasons stated below.

As per claims 90-108 of the present application, Claims 36-42, 45-55 and 58 of Application No. 09/166,267 recites all the limitations of this claim. However, claims 36-42, 45-55 and 58 of Application No. 09/166,267 differ since they further recite an additional claim limitation including wherein the second discount is determined based on the customer identifier. However, it would have been obvious to a person of ordinary skill in the art to modify claims 36-42, 45-55 and 58 of Application No. 09/166,267 by removing this limitation in order to make the claim more broad and result in the invention as claimed in

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claim 90-108 of the present application in an attempt to attain more broad patent protection for the invention.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

The Fax phone number for the **UNOFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 305-0040 (for informal or draft communications, please label "PROPOSED" or "DRAFT").

The Fax phone number for the **OFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 308-9051 or 9052 (for formal communications intended for entry).

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

John Hayes

13 March 2001


JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100